

## MORNING GLANCE



65,325	▲ 746	▲ 1.16%
136 mn	YTD 1.03%	1 Year 60.62%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	22,419.20	40.80	0.18% ▲
DSE 30	2,126.80	5.82	0.27% ▼
SHANGHAI	3,033.76	6.74	0.22% ▲
Hang Seng	16,546.00	43.44	0.26% ▼
Nikkei 225	40,101.50	161.50	0.40% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,682.50	52.48	0.69% ▲
DAX 30	17,735.00	0.07	-

USA	Value	Pts	Chg. (%)
DOW JONES	39,087.38	90.99	0.23% ▲
S&P 500	5,137.08	40.81	0.80% ▲
NASDAQ	18,302.91	259.06	1.44% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,089.45	6.25	0.30% ▼
Oil-WTI (bbl)	79.92	0.05	0.06% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	279.11	0.01	0.00% ▼
EURO/PKR	302.42	0.30	0.10% ▲
GBP/PKR	353.24	0.07	0.02% ▼
AED/PKR	75.99	-	-

Source: dps.psx.com.pk, investing.com, forex.com

### Market Outlook

The stock market on Friday Surged over 700 points and concluded the session in the green zone amid positive sentiments led by political clarity and a decline in inflation. The Benchmark KSE-100 index made an intra-day high and low at 65,486.45 (908 points) and 64,530.20 (48 points) respectively while closed at 65,325.68 by gaining 747 points.. Trading volume decreased to 136mn shares as compared to 224mn shares on the previous trading day. Going forward, the market is currently on a crucial level of 66,000 where the 'Resistance/Supply zone' is residing, if the market is able to sustain this level then it could be anticipated to rally up to 67,000. Contrarily If the market breaks below 65,000, then it could fall to around 63,500.

### Key News

#### International

##### Asian Equities Advance Ahead of China Policy Meet: Markets Wrap

Stocks in Asia broadly advanced on rallies in some of the world's largest technology companies during a week that includes Federal Reserve boss Jerome Powell's congressional testimony and China's [see more...](#)

##### Oil Steady Near This Year's High After OPEC+ Extends Output Cuts

Oil steadied near the highest level this year after OPEC+ extended its production cuts and as progress toward a cease-fire in Gaza stalled. Brent futures traded near \$84 a barrel after rising 2% in the previous session. US benchmark West Texas Intermediate was close to \$80, [see more...](#)

#### Politics

##### Shehbaz voted PM for a second time amid protest

Following the general elections last month that were riddled with allegations of rigging and irregularities, Shehbaz Sharif was elected on Sunday as the prime minister of the country for a second term by securing 201 votes. The moment National Assembly (NA) Speaker Ayaz Sadiq declared that "Shehbaz Sharif has been elected" [see more...](#)

#### Economy

##### IMF wants tax burden on non-salaried, salaried class increased - Neutral

The International Monetary Fund (IMF) has recommended to the Federal Board of Revenue (FBR) to double the tax burden for salaried and non-salaried classes by removing their distinctions, reducing the number of slabs from seven. The IMF estimated that if the recommendations on Personal Income Tax (PIT) were fully implemented, it could yield additional revenues of 0.5 per cent. [see more...](#)

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### IMF wants govt to impose 18pc GST on POL products, unprocessed food, stationery – Neutral

The International Monetary Fund (IMF) has recommended the FBR to bring several dozen items into the standard rate of General Sales Tax of 18 percent, including unprocessed food, stationery items, medicines, POL products and others. The IMF has estimated that the rationalization of GST rates could [see more...](#)

### PBC calls for five-year IMF programme - Neutral

A longer, five-year programme will allow the IMF to make tranche releases conditional on progress on fundamental reforms of the energy sector and the privatisation or closure of loss-making state enterprises. Besides financial burden, inefficiently run state-owned enterprises that operate in the commercial space, provide unfair competition to the private sector, impeding scale and competitiveness, the government. [see more...](#)

### Foreign investment in PSX surges to \$19.9 million since Feb. 8 polls - Positive

Pakistan witnessed a substantial increase in foreign investment through the stock market in the last three weeks after international corporations and overseas Pakistanis brought \$19.9 million into the country, reflecting improved investor confidence in the wake of the Feb. 8 polls, as confirmed by financial experts on Friday. [see more...](#)

### 2023: corporate profits boom despite economic slowdown - Positive

Profits of key companies listed on PSX have remained fabulous despite the economic issues faced by Pakistan. In the calendar year 2023, 83 companies (88 percent of market capitalization) of KSE-100 index posted after tax profit of Rs1.66trillion showing an amazing growth of 45 percent over 2022. In USD terms, the profits of these companies were.. [see more...](#)

### Jul-Feb trade deficit falls 30.2pc to \$14.87bn YoY - Positive

Pakistan's trade deficit narrowed down by 30.18 percent in the first eight months (July-February) of the current fiscal year 2023-24 as it stood at \$ 14.872 billion compared to \$ 21.299 billion during the same period of last fiscal year, says the Pakistan Bureau of Statistics (PBS). The monthly data released by the Bureau noted that the country's exports increased by nine percent [see more...](#)

### Exporters reap Rs8 premium per dollar - Neutral

"This is strange; the exchange rate has been stable for more than a couple of months, but forward selling by exporters is attracting a premium of up to Rs8 per dollar for two months," said Atif Ahmed, a currency dealer in the inter-bank market. The perception that the current exchange rate is being managed is growing [see more...](#)

### Feb CPI-based inflation up 23.1pc YoY - Negative

The Consumer Price Index (CPI)-based inflation increased to 23.1 percent on a year-on-year basis in February 2024 as compared to an increase of 28.3 percent in the previous month and 31.5 percent in February 2023, says the Pakistan Bureau of Statistics (PBS). On average CPI stood at 27.96 percent during the first eight months (July-February) of the current fiscal year compared to. [see more...](#)

### Weekly SPI up 1.27pc - Neutral

The Sensitive Price Index (SPI) for the week ended on February 29, 2024, increased by 1.27 per cent due to an increase in the prices of gas charges (15.52 per cent), bananas (5.25 per cent), onions (2.87 per cent), eggs (1.32 per cent), and moong (0.27 per cent), says Pakistan Bureau of Statistics (PBS). The year-on-year trend depicts an increase of 32.73 per cent mainly due to an increase in the prices of gas [see more...](#)

### Feb oil sales decline 8pc YoY - Negative

Total sales of petroleum products in the country declined by 8.0 percent on year-on-year basis to 5-month low level of 1.12million tons during February 2024. The decline in sales comes on the back of higher petroleum products prices and lower dependency on FO-based power production, an analyst at Arif Habib Limited said. The sales of motor spirit (MS) witnessed a dip of 1.0 percent in [see more...](#)

### LPG price reduced slightly - Neutral

Both local and imported LPG rate was reduced by 81 paise per kg, bringing the cost of 11.8kg domestic cylinder down by Rs9.51 or 0.31pc for March. In a notification, Ogra set the price of LPG at Rs215.49 per kg for March instead of Rs216.30 per kg in February. As such, the price of 11.8kg domestic cylinder was set at Rs2,542.78 against Rs2,552.30 [see more...](#)

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<b>TP</b>	Target Price	<b>DDM</b>	Dividend Discount Model	<b>FCF</b>	Free Cash Flows
<b>FCFE</b>	Free Cash Flows to Equity	<b>FCFF</b>	Free Cash Flows to Firm	<b>DCF</b>	Discounted Cash Flows
<b>PE</b>	Price to Earnings Ratio	<b>PB</b>	Price to Book Ratio	<b>BVPS</b>	Book Value Per Share
<b>EPS</b>	Earnings Per Share	<b>DPS</b>	Dividend Per Share	<b>ROE</b>	Return of Equity
<b>ROA</b>	Return on Assets	<b>SOTP</b>	Sum of the Parts	<b>JPB</b>	Justified Price to Book

## VALUATION METHODOLOGY

To arrive at our Target Price, Abbasi & Company (Private) Limited uses different valuation methods which include:

- I. Discounted Cash Flow Model
- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

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Stock Rating	Expected Total Return	Sector Rating	Sector Outlook
BUY	Greater than 15%	Overweight	Positive
HOLD	Between -5% to 15%	Market Weight	Neutral
SELL	Less than and equal to -5%	Underweight	Negative

Ratings are updated to account for any development impacting the economy/sector/company, changes in analysts' assumptions or a combination of these factors.

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The Research Analyst is not and was not involved in issuing of a research report on any of the subject company's associated companies

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